

A G E N D A

PART 201 DISCUSSION GROUP
Brownfield Work Group
Public Sector Consultants, Lansing, Michigan
January 17, 2007

9:30–9:35 AM	Welcome and introductions	Bill Rustem
9:35–9:50 AM	Recap of previous discussions	Bill Rustem
9:50–11:00 AM	Proposed program—draft Draft recommendations	Bill Rustem and all
11:00 AM–12:00 PM	Criteria for prioritization Eligible activities	All
12:00–12:15 PM	Next steps and assignments	Bill Rustem
12:15–12:30 PM	Public comment	

Part 201 Brownfields Work Group

DRAFT Recommendations

January 17, 2007

Brownfield Program Coordination and Facilitation

- The Michigan State Housing Development Authority's (MSHDA) Community Assistance Team's (CATEam) role should be expanded to allow the CATEam specialists (1) to become regional brownfield facilitators, helping local units of government and developers navigate the brownfield redevelopment process and (2) to become liaison with and coordinator among the relevant agencies involved in a project.
- This expanded role makes it necessary to increase the number of CATEam specialists and reduce their service areas.
- The Governor should issue an executive directive to have each relevant agency identify brownfield redevelopment specialist(s) who will work with CATEams.
- The CATEam should develop a one-stop website for all state brownfield programs information that would be a good resource for consultants, local units of government, and developers.
- Brownfield redevelopment programs and the CATEam also need to have a proactive outreach mission with a goal of identifying potential projects and areas for redevelopment.

Brownfield Unified Application Process

- The CATEam, in cooperation with other relevant state agencies, should create a unified brownfield redevelopment application that could be used by all state agencies and local units of government for brownfields program incentives, grants, and loans.
- Upon receipt of the unified application, the CATEam specialist should coordinate a scoping meeting with relevant state agencies, the applicant, and local unit of government within 10 days
- The CATEam should work with relevant state agencies to draft an invitation letter to the applicant requesting additional information needed to apply for specific programs the applicant is eligible for, as identified in the scoping meeting.
- Upon receipt of the additional information, the CATEam should draft a conceptual development agreement that outlines the eligible activities and funding available to a project, as well as any contingencies.
- The CATEam should work with relevant state agencies to draft a protocol that outlines what size or type of project will be granted the assistance of a CATEam specialist.

Other Recommendations

- The CATEam, DEQ, and MEDC should consider developing an appeals/resubmission process for denials.
- Rename MSHDA the Michigan Community Development Authority (MCDA) to better reflect their goals and activities.

Funding and Eligible Activities

- Allow the approval of 1 mill of SET and 1 mill LSO to go to support for the brownfield program and grants/loans.
- The MEGA board should allow interest to be paid by school tax capture.
- The definition of “core community” should be reviewed and recommendations made for additions or removals.
- The tools, programs, and incentives available to a core community should be reviewed and recommendations made on whether any of these tools should be expanded to all communities.
- The DEQ should consider funding activities to clean up a property to “generic residential” status or legislation should be developed that clarifies in which situations they will do this.

BROWNFIELD REDEVELOPMENT PROJECTS

SCOPING PROCESS, DEVELOPMENT AGREEMENTS, AND MULTI-AGENCY COORDINATION

Purpose of the Brownfield Redevelopment Program(s)

To promote and facilitate the revitalization, redevelopment, and reuse of certain property that is contaminated (real or perceived), blighted, or functionally obsolete.

Scoping Process—Pre-meeting with Agencies

A prospective developer/purchaser/owner (“applicant”) would complete an initial unified application or “uni-app,” with support of the local unit of government as indicated through a letter of support from the local brownfield redevelopment agency (BRA) or economic development director or by having one of these agencies co-sign the application. This uni-app would include conceptual information about the project sufficient to support a review by the Michigan Department of Environmental Quality (MDEQ), Michigan Economic Development Corporation (MEDC), and other relevant agencies for consideration of grants, loans, tax increment financing (TIF), tax credits, or other brownfield incentives that may be available. [This application could also be used by the local unit of government.](#)

The uni-app would carry a nominal fee. Upon receipt of the uni-app by the [Community Assistance Team \(CATEam\) in the Michigan State Housing Development Authority \(MSHDA\)](#), each relevant state agency involved in the brownfield program would be provided a copy of the application for review. The [CATEam specialist assigned to that region](#) would schedule a scoping meeting (or conference call) to take place within 10 days of receipt of the application to discuss the project, review recommendations and the schedule, and identify key issues for the review and processing of the application including whether the project warranted an assigned facilitator. Attendees should include:

- the applicant;
- a representative from the local unit of government in which the project is located;
- [The CATEam specialist](#) assigned to the region in which the project is located, who will [guide](#) the uni-app through the process and be the liaison between the applicant and the multiple state agencies (This [specialist](#) should be cross-trained on all the state agencies’ brownfield-related programs.); and
- A brownfield redevelopment specialist (BRS) from each applicable agency that may be involved in the project. These agency representatives will be personally assigned to the project until their agency no longer has a role in the project, and will be the primary contact from their respective agencies with the regional facilitator. Their role will be to coordinate with each office/division (within their respective agencies) that is involved with the project, and also to ensure that all agency interaction with the project reflects the state’s commitment to that brownfield project.

Deleted: newly proposed Brownfield Redevelopment Coordinating Office (BRCO) [Office of Brownfield Coordinator (OBC) or Brownfield Redevelopment Office (BRO) within the Michigan Department of Labor and Economic Growth (MDLEG)]

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The objective of the scoping meeting is to define the project sufficiently to allow the state agencies and the local unit of government to determine the applicability and scope of the various brownfield incentives that may be available to the project. For example, MDEQ could offer a combination of brownfield grants and loans; MEDC could consider a Single Business Tax credit, as well as use of brownfield TIF to pay for eligible activities related to infrastructure improvements; and the local unit of government could offer its local tax increment. These agencies may also identify additional information that may be needed to process an application.

If all of the Michigan brownfield redevelopment incentives for a project could be discussed at the same time during this scoping meeting, policies among agencies (and within agencies) could be aligned and there would be greater consistency within and among the various programs and agencies. Furthermore, the applicant could move forward with some level of certainty as to the type and scope of brownfield assistance available to the project, what additional information may be necessary, and the time frames involved. An applicant may decide at this point not to pursue state brownfield assistance, or to proceed to the conceptual approval process.

Invitation Letter

Within two to four weeks following the scoping meeting, an invitation letter would be sent to the applicant from the CATeam specialist. This would be a coordinated response from the relevant agencies inviting the applicant to submit additional information to be considered for one or more brownfield grants, loans, or other incentives.

Conceptual Approval—A Development Agreement

Within two weeks following the submission of the requested information in the invitation letter, the CATeam specialist and the applicant would draw up a development agreement that each party would agree to and sign. This does not stop the review and issue identification process, but allows the applicant to move forward under certain contingencies. This development agreement should specify:

- The specific property (core city, non-core city) and known/suspected site characteristics (at that time—contaminated, blighted, functionally obsolete)
- The proposed project (summary work plan with anticipated eligible activities, contingent activities based on new data that might arise)
- The “package” of incentives the state agencies can offer, with maximum funding commitments established
- The contingencies placed on the applicant to receive these incentives, including any additional data requested in the scoping meeting
- A timeline for action, including deadline for any plan amendments and final Act 381 work plan approval

There would be a more substantial fee for elevating a project to development agreement status; this fee should be dependent upon the magnitude of the project.

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Review and Monitoring

The scoping meeting and development agreement are, also intended to define the extent of eligible activities required to complete the project. MDEQ/MEDC will agree to a funding limit and approve in concept that funding capacity subject to documentation that the work is necessary.

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Following approval of any funding and specifically any Act 381 work plan, the applicant would submit progress reports and, if requested by MDEQ/MEDC, intermediate work plan amendments to confirm the scope of work to be performed. If MDEQ/MEDC determines that a work task is unnecessary, MDEQ/MEDC could omit that task or disallow eligibility without jeopardizing any other properly performed or necessary tasks. Any ineligible activities that are performed will be at the cost of the applicant.

There must be evaluation and follow-up on whether the outlined activities were completed and the use of the site is consistent with what was proposed in the development agreement and final approved Act 381 work plan.

Monthly policy review meetings could also be convened by the CATeam that include selected advisors within and outside the agencies (a consulting team could coordinate outside input) to assess policy implications and suggested policy improvements or refinements including, if necessary, advice and recommendations to the directors of each agency, the governor's office, and the legislature.

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Summary

This proposed approach, if implemented, would provide the timely responses and financial commitments that some projects need, while ensuring that MDEQ/MEDC can meet statutory and policy obligations under Act 381 and Part 201. While this approach entails a considerable level of effort for a single project, this may simply require a reallocation of current staff time away from the step-by-step approval process into a more concentrated effort at the project initiation and during evaluation. An initial recommendation might be for the CATeam and other agencies to test this approach and, if successful, implement it for all projects of a certain magnitude.

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Needs Further Discussion

The state agencies will not be able to expend this level of effort for every project that wishes to receive brownfield redevelopment assistance. Criteria must be developed that will help them prioritize projects that need to go through this process [80/20 rule], while the remainder may go through an even more streamlined process (by general permit, etc.).

There also needs to be discussion of to what degree the definition of eligible activities under Act 381 and other financial incentive programs can/should be broadened to make the programs collectively more effective (i.e., demolition activities, etc.).